

RAILROAD COMMISSION OF TEXAS

OVERSIGHT AND SAFETY DIVISION

**GAS UTILITIES
INFORMATION BULLETIN**

No. 1061



**Christi Craddick, Chairman
Ryan Sitton, Commissioner
Wayne Christian, Commissioner**

**Kari French
Director
Oversight and Safety Division**

June 15, 2017

TABLE OF CONTENTS

| <u>SECTION</u> | <u>PAGE</u> |
|--|-------------|
| SECTION 1 - NEW APPEALS AND APPLICATIONS FILED | 2 |
| SECTION 2 - APPEALS AND APPLICATIONS SET FOR HEARING | 3-4 |
| SECTION 3 - STATUS OF PENDING CASES | 5 |
| SECTION 4 - NOTICES OF DISMISSAL | 5 |
| SECTION 5 - ORDERS OF THE COMMISSION | 5 |
| SECTION 6 - MISCELLANEOUS | 6-8 |

June 15, 2017

SECTION 1

NEW APPEALS AND APPLICATIONS FILED**DOCKET NO.** -- **10641****CAPTION** -- Petition for De Novo Review of the Denial of the Statement of Intent filed by LDC, LLC to Change Rates in the City of Montgomery, Texas.**DATE FILED** -- 06/08/2017**FILED BY** -- Karl J. Nalepa**EXAMINER** -- John Dodson**TECHNICAL** -- Rose Ruiz**DOCKET NO.** -- **10642****CAPTION** -- Application filed by Atmos Energy Corp., Mid-Tex Division for Approval of Abandonment of Service and Facilities to 1 Residential Customer in Childress County.**DATE FILED** -- 06/13/2017**FILED BY** -- Kodey Jolly**EXAMINER** -- Amy Bruce**TECHNICAL** --

June 15, 2017

SECTION 2

APPEALS AND APPLICATIONS SET FOR HEARING OR PREHEARING CONFERENCE

Office of General Counsel Weekly Hearing Schedules for 2017

**BEFORE THE
RAILROAD COMMISSION OF TEXAS**

RATE CASE EXPENSES SEVERED FROM GUD NO. 10506, STATEMENT OF INTENT OF TEXAS GAS SERVICE COMPANY, A DIVISION OF ONE GAS, INC., TO INCREASE GAS UTILITY RATES WITHIN THE UNINCORPORATED AREAS OF THE EL PASO SERVICE AREA (EPSA), PERMIAN SERVICE AREA (PSA), AND DELL CITY SERVICE AREA (DCSA)

GAS UTILITIES DOCKET
NO. 10521, consolidated

NOTICE OF HEARING

Summary of the Proceeding and Factual Matters Asserted. On March 30, 2016, Texas Gas Service Company (“TGS”), a division of ONE Gas, Inc., filed with the Railroad Commission of Texas (“Commission”) a statement of intent to increase gas utility rates within the unincorporated areas of the El Paso Service Area (“EPSA”), Permian Service Area (“PSA”), and Dell City Service Area (“DCSA”). Three parties subsequently intervened: (1) Staff of the Railroad Commission (“Staff”), (2) City of El Paso (“CEP”), and (3) Coalition of Cities (“Coalition”), which is comprised of Clint, Horizon City, and San Elizario.. On May 19, 2016, CEP and Coalition were aligned pursuant to Commission Rule § 1.86 (Alignment of Municipal Intervenors for Purposes of Discovery).

On May 27, 2016, the rate case expense portion of GUD No. 10506 was severed into this separate docket, GUD No. 10521. On July 22 and August 16, 2016, the rate case expense portions of two related dockets—petition for review GUD Nos. 10536 and 10539, respectively—were consolidated into GUD No. 10521.

On September 27, 2016, the Commission issued its Final Order in the consolidated rate docket, GUD No. 10506.

On April 21, 2017, the GUD No. 10521 parties filed a Unanimous Settlement Agreement (“Settlement”), resolving all issues among the parties with respect to rate case expenses associated with GUD Nos. 10506, 10536, and 10539. The Settlement was supplemented with filings by Coalition and CEP on April 24 and 28, 2017, respectively.

NOTICE IS HEREBY GIVEN THAT a public hearing will be held, at the time and place set out below, to consider all issues of fact and law raised in—or relevant to—the rate case expenses described above. The scope of the hearing may be limited to the Settlement.

Legal Authority and Jurisdiction. The Commission has jurisdiction over the matters at issue in this proceeding pursuant to GURA Sections 102.001 (Railroad Commission Jurisdiction), 103.003 (Surrender of Municipal Jurisdiction to Railroad Commission; Reinstatement of Jurisdiction), 103.051 (Appeal by Party), 103.052 (Appeal by Residents), 103.053 (Appeal by Ratepayers Outside Municipality), and 104.001 (Authorization to Establish and Regulate Rates), and/or pursuant to GURA Sections 121.051 (Gas Utility: Public Interest and Jurisdiction of Railroad Commission), 121.052 (Pipelines: Monopolies Subject to Railroad Commission), and 121.151 (Railroad Commission Regulation of Gas Pipelines). The Administrative Law Judge and the Technical Examiners shall conduct the hearing pursuant to the requirements of Chapter 2001 (Administrative Procedure) of the Texas Government Code and pursuant to Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, and other applicable authority.

June 15, 2017

Particular Statutes and Rules Involved. The statutes and rules applicable to this proceeding may include, but are not limited to, the following:

1. All sections in GURA Chapters 101 (General Provisions and Office of Public Utility Counsel), 102 (Jurisdiction and Powers of Railroad Commission and Other Regulatory Authorities), 103 (Jurisdiction and Powers of Municipality), 104 (Rates and Services), and 121 (Gas Pipelines); and
2. Title 16, Part 1 (Railroad Commission of Texas), of the Texas Administrative Code, including Chapters 1 (Practice and Procedure) and 7 (Gas Services Division).

Time, Place, and Nature of Hearing. **IT IS DIRECTED** that the hearing on the merits shall commence at **11:00 a.m. on Tuesday, June 27, 2017**, at the Commission's offices in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas, 12th floor, room 12-126. If the hearing is not concluded on the day it commences, the hearing will be continued from day to day, as announced until concluded.

IT IS FURTHER DIRECTED that all parties desiring to present sworn testimony, documentary and demonstrative evidence, and argument regarding any issue of law or fact at the final hearing on the merits **SHALL** appear in person or by an attorney. For good cause shown, the ALJ may permit part of the proceeding to be conducted telephonically pursuant to Commission Rule § 1.130 (Telephonic Proceedings).

Written Transcript of the Hearing. The record of the hearing will be made by stenographic transcription by the court reporter. Any party that desires a copy of the written transcript of the hearing should contact the court reporter at (512) 282-0313. The Commission may assess the cost of the transcript or expedited transcript to one or more parties pursuant to Section 2001.059 (Transcript) of the Texas Government Code.

Auxiliary Aids or Services for Persons with a Disability. Any individual with a disability who needs auxiliary aids and services to have an equal opportunity to effectively communicate and participate in the hearing must request such aids or services at least two weeks prior to the hearing by notifying the Human Resources Department of the Commission by mail at P.O. Box 12967, Austin, Texas 78711-2967 or by telephone at (512) 463-6981 or TDD No. (800) 735-2989.

Contact for Additional Information – *In accordance with Tex. Gov't Code §2001.061 and 16 Tex. Admin. Code § 1.6, ex parte communications with the Administrative Law Judges, Examiners, and Commissioners are prohibited. Any persons or entities desiring additional information may contact the Commission by writing to the Director, Hearings Division, Railroad Commission of Texas, 1701 North Congress Avenue, P. O. Box 12967, Capitol Station, and Austin, Texas 78711-2967. Any persons or entities having clerical questions, such as questions regarding the number of copies of filings, the service list or reviewing the record, may contact, Docket Services, at (512) 463-6848.*

John Dodson
Administrative Law Judge

June 15, 2017

SECTION 3**STATUS OF PENDING CASES****SECTION 4****NOTICES OF DISMISSAL**

None at this time.

SECTION 5**ORDERS OF THE COMMISSION**

GUD No. 10612: Application of Texas Gas Service Company for Test Year 2016 annual interim rate adjustment for the unincorporated areas of the West Texas Service Area. ([Interim Rate Adjustment Order and Exhibits 06-06-2017](#))

GUD No. 10614: Application of Hughes Natural Gas, Inc. for Test Year 2016 annual interim rate adjustment program for the environs area. ([Interim Rate Adjustment Order and Exhibits 06-06-2017](#))

GUD No. 10618: Application of CenterPoint Energy Entex for Test Year 2016 annual interim rate adjustment for the South Texas Division Environs and the Cities of Beeville, Eagle Lake, El Campo, Floresville, Goliad, Hallettsville, Kenedy, New Braunfels, Nordheim, Palacios, Pleasanton, San Diego, San Marcos, Schertz, Seguin, Selma, Sinton, and Weimer. ([Interim Rate Adjustment Order and Exhibits 06-06-2017](#))

GUD No. 10610: Application of Texas Gas Service Company for Test Year 2016 annual interim rate adjustment for the unincorporated area of the Central Texas Service Area. ([Interim Rate Adjustment Order and Exhibits 06-06-2017](#))

GUD No. 10619: Application of Centerpoint Energy 2016 annual interim rate adjustment program for the environs of the Beaumont/East Texas Division and the Cities of Ames, Avinger, Center, China, Colmesneil, Crockett, Daingerfield, Dayton, Diboll, Elkhart, Gilmer, Grapeland, Groveton, Hideaway, Hudson, Jasper, Kirbyville, Latexo, Lovelady, Lumberton, Maud, Nacogdoches, Pinehurst, Rose City, San Augustine, Shepherd, Tenaha, Timpson, Trinity, Vidor, and West Orange, which have ceded jurisdiction to the Commission pursuant to GURA §103.003. ([Interim Rate Adjustment Order and Exhibits 06-06-2017](#))

GUD No. 10636: Statement of Intent of Texas Gas Service Company, a Division of ONE Gas, Inc., requesting an addendum to the unincorporated rules of service for the West Texas Service Area, Central Texas Service Area, North Texas Service Area, Gulf Coast Service Area, Rio Grande Valley Service Area and Borger-Skellytown Service Area. ([Suspension Order 06-06-2017](#))

June 15, 2017

SECTION 6
MISCELLANEOUS**Kari French, OVERSIGHT AND SAFETY DIRECTOR****1. OFFICE OF THE DIRECTOR****A. Publications**

1. Texas Utilities Code Titles 3 and 4. Now available at the State of Texas' website at:

<http://www.statutes.legis.state.tx.us>

Special Rules of Practice and Procedure and Substantive Rules. Now available via the Commission's website at:

[http://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7](http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=4&ti=16&pt=1&ch=7)

2. Annual Report for Fiscal Year – Now available via the Commission's website at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/2016-statistical-reports/>

3. Six MCF Monthly Residential Gas Bill Analysis for Twenty-five Texas Cities - Now available via the Commission's website at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/six-mcf-report/>

B. Interest Rate on Customer Deposits

We have been advised by the Public Utility Commission that the interest rate to be applied to customer deposits in calendar year 2017 is 0.42%. All gas utilities should use 0.11% for the calendar year 2016 and 0.07% for calendar year 2015.

2. UTILITY AUDIT SECTION**A. Maintains headquarters and three district offices as follows:**

Headquarters - William B. Travis Building

1701 North Congress, P. O. Box 12967, Austin, Texas 78701

Ed Abrahamson, Director, Utility Audit Section

Pearl Rodriguez, Program Specialist

Telephone (512) 463-7022

Fax (512) 475-3180

Fort Worth - City Hall 13th Street Annex, 401 W. 13th St Suite B

Telephone (817) 882-8966

Fax (817) 882-8951

Josh Settle, Senior Auditor

Yolandra Davis, Senior Auditor

Austin District - P. O. Box 12967, Austin, Texas 78711-2967

Stephen Cooper, Advising Auditor

Telephone (512) 463-7119

Houston District - 1706 Seamist Drive, Suite 501

Telephone (713) 869-8425

Houston, TX 77008-3135

Fax (713) 869-3219

Margie Stoney, Project Auditor

Larry Alcorn, Auditor

Dale Francis, Senior Auditor

Konata Uzoma, Senior Auditor

June 15, 2017

Vonetta Jackson, Auditor

B. Gas Utility Tax, Annual Reports and Audit Reports

1. Questions relating to gas utility tax, call Pearl Rodriguez at (512) 463-7022.
2. Questions relating to annual reports, call Pearl Rodriguez at (512) 463-7022.
3. Inquiries relating to audit reports, call Pearl Rodriguez at (512) 463-7022.

C. Available Information

Gas Utility Annual Reports - Now available via Commission's website at:

<https://rrcsearch3.neubus.com/esd3-rrc/index.php? module =esd& action =keysearch&profile=13>

Information relating to any of the above, are available for review at the William B. Travis Building, Gas Services Department, 9th Floor, 1701 North Congress. All requests for copies must be made in writing and should be addressed to the Audit Section. Copies will be provided for a fee, depending on the volume of copy work desired, allow a minimum of seven to ten business days for completion of requests. Inquiries regarding copies should be directed to the Audit Section at (512) 463-7022, or Fax your request to (512) 475-3180.

3. MARKET OVERSIGHT**A. Maintains the following office to assist you:**

Headquarters - William B. Travis Building
1701 North Congress, P.O. Box 12967, Austin, Texas 78711
Mark Evarts, Director

Telephone (512) 463-7167

B. Gas Utilities Information Bulletin

Published on the Commission's website at:

<http://www.rrc.texas.gov/gas-services/publications-statistics/gas-utilities-information-bulletins/>

C. Proposals For Decision

Published on the Commission's web site at:

<http://www.rrc.texas.gov/hearings/dockets/gas-utility-dockets/>

D. Tariff Filings

Questions pertaining to the filing of tariffs and/or quality of service rules should be directed to Claudia Godoy, Yolanda Lovelace, Andrea Matamoros or Virgie Frausto at (512) 463-7167.

E. Curtailments

Curtailment questions should be referred to (512) 463-7167 or by email at naturalgascurtailment@rrc.texas.gov. Curtailment reports made Monday through Friday, 8:00 a.m. to 5:00 p.m., should be made to (512) 463-7167. Curtailment reports made during hours other than those specified above and holidays, should be made to (512) 463-6788.

F. Compliance Filings

Questions regarding gas utilities docket compliance filing requirements should be referred to Christina Poole at (512) 463-7167 or by email at GUD.Compliance@rrc.texas.gov.

G. Complaints and Inquiries

All complaints and inquiries relating to the gas utility industry should be directed to the Market Oversight

June 15, 2017

Section at (512) 463-7164 or by email at gascomplaints@rrc.texas.gov.

H. Pending RRC Rules and Regulations:

4. HEARINGS AND LEGAL ANALYSIS

A. Miscellaneous

Anyone wishing to obtain copies of appendices to Orders appearing in Section 5 of this Bulletin should contact the General Counsel Division at (512) 463-7149.

B. Status of Pending Cases

The status of all pending cases listed in Section 3 of this Bulletin is for informational purposes only and is complete up to the time of printing of this Bulletin. For a more accurate status of pending cases, please call the General Counsel Division at (512) 463-7149.